

AUG 1 0 2011

Carlos Rodriguez
Gilliard Blanning & Associates, Inc.
5701 Lonetree Blvd #301
Rocklin, CA 95765

RE: MURs 6289, 6362

Dear Mr. Rodriguez:

On September 1, 2010, the Federal Election Commission notified you and Gilliard Blanning & Associates, Inc., ("GBA") of a complaint designated as MUR 6362, alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). On August 2, 2011, the Commission merged MUR 6289 into MUR 6362 and found, on the basis of the information obtained by the Commission, that there is no reason to believe that you and GBA violated any provisions of the Act or Commission regulations in connection with the allegations in these matters. Accordingly, the Commission closed its file in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009). The Factual and Legal Analyses, which explain the Commission's no reason to believe findings, are enclosed for your information.

If you have any questions, please contact Dominique Dillenseger, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

Peter G. Blumberg
Assistant General Counsel

Enclosures
Factual and Legal Analyses

1	FEDERAL ELECTION COMMISSION				
2 3	FACTUAL AND LEGAL ANALYSIS				
4					
5	RESPONDENT: Carlos Rodriguez MUR: 6362				
6	I. <u>INTRODUCTION</u>				
7	This matter was generated by a complaint filed with the Federal Election Commission	ı <b>by</b>			
8	Tal Cloud and Mike Der Manouel, Jr. See 2 U.S.C. § 437g(a)(1).				
9	This complaint alleged that advertisements for a May 28, 2010, benefit concert for the				
10	Remembering the Brave Foundation ("RB") featured Leff Denham, a California State Senator	•			
11	and a candidate in the primary election for the 19 <sup>th</sup> Congressional District in California, and w	vere			
12	disseminated within 30 days of the California Congressional primary election on June 8, 2010	).			
13	These ads were allegedly financed from funds Denham transferred from Jeff Denham for Stat	te			
14	Senate ("State Committee") to RB. The concert was held at the Chukchansi Gold Resort &				
15	Casino. The complaint further alleged that the ads were coordinated with Denham for Congre	ess			
16	("Federal Committee") and that the coordination involved Carlos Rodriguez and Gilliard				
17	Blanning & Associates, Inc. ("GBA"), the media buyer working for both RB and the Denham	L			
18	Federal Committee. The complaint also alleged that Carlos Rodriguez failed to disclose				
19	coordinated communications and independent expenditures made in connection with the conce	cri			
20	and/or Denham's Federal Committee, and may have done so to hide the true source of the				
21	funding.				
22	As explained below, the Commission found no reason to believe that Carlos Rodriguez	Z			
23	violated any provisions of the Federal Election Campaign Act of 1971, as amended, ("the Act	")			
24	or Commission regulations in connection with the allegations in this matter.				

# 1 II. FACTUAL AND LEGAL ANALYSIS

#### 2 A. Factual Background

- In 2010, Jeff Denham was both a California State Senator, representing the 12<sup>th</sup> District,
- 4 and a candidate for the U.S. House of Representatives for California's 19<sup>th</sup> Congressional
- 5 District. Denham did not run for re-election to the State Senate. Denham won the June 8, 2010,
- 6 Republican primary and the November 2, 2010, general election.
- 7 Elevan days before the June 8 primary, a benefit concert was held at the Chukchansi Gold
- 8 Resort & Casino, in Coarsegold, California, which is in the 19<sup>th</sup> Congressional District. The
- 9 concert, sponsored by RB and featuring country and western music performer Phil Vassar, was
- advertised on radio, television, and the internet as a benefit concert to raise donations for Project
- 11 Gold Star—a program administered by the California Department of Veteran Affairs to raise
- private donations to pay the costs of a specialized license plate program for the families of U.S.
- military personnel killed while serving on active duty. Several of the ads promoting the concert
- 14 featured Denham.
- 15 Carlos Rodriguez appears to be a campaign consultant who may have worked on the
- Denham campaign. GBA is a campaign consulting firm and vendor for the Denham campaign
- 17 that appears to have purchased advertising for both the Donham campaign and the banefit
- 18 concert. Documentation submitted with the complaint indicates that GBA handled the media
- buy for the concert on behalf of its client, RB. See Emails between Genet Slagle (media buyer
- 20 with GBA) to Matt Rosenfeld (President/General Manager for KSEE-NBC24, KSEE Weather
- 21 Plus, and LATV la alternativo), dated April 29, 2010, regarding Gold Star Families Proposal. It
- 22 also appears that GBA handled the media buys for the Denham for Congress campaign in 2010.1

<sup>&</sup>lt;sup>1</sup> The Denham Federal Committee's 2010 April Quarterly Report reflects disbustoments to GBA for broadcast advertising.

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#### MUR 6362 (Carlos Rodriguez) Factual and Legal Analysis

- 1 See Emails from Genet Slagle to Donald Osika, dated January 29, 2010. Other than this
- 2 information indicating that GBA performed media buyer work for both RB and the Denham
- 3 Federal Committee, the complaint does not include specific allegations regarding which
- 4 communications were coordinated or what coordination Carlos Rodriguez undertook. The
- 5 complaint does not indicate any specific unreported independent expenditures that Carlos
- 6 Rodriguez allegedly made on behalf of the Denham Federal Committee. Carlos Rodriguez did
- 7 not file a response to the complaint.

## B. Coordinated Communications/Independent Expenditures

The Act subjects contributions and expenditures to certain restrictions, limitations, and reporting requirements. See generally 2 U.S.C. §§ 441a, 434b. Contributions can be monetary or "in-kind" In-kind contributions include an expenditure made by any person "in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, his authorized political committees, or their agents," and are subject to the same restrictions and reporting requirements as other contributions. 2 U.S.C. § 44la(a)(7)(A) and (B)(i); 11 C.F.R. §§ 100.52(d)(I), 109.21(b). The Commission's regulations at 11 C.F.R. § 109.21 provide that coordinated communications constitute in-kind contributions from the party paying for such communications to the candidate, the candidate's authorized committee, or the political party committee which coordinates the communication. A corperation is prohibited from making any contribution in connection with a Federal election. 2 U.S.C. § 441b(a).

A communication is coordinated if it is paid for by someone other than the candidate or the candidate's authorized committee (or the political party committee, where applicable); it satisfies one or more content standards; and it satisfies one or more conduct standards. All three prongs must be met for a communication to be considered coordinated. 11 C.F.R. § 109.21.

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An independent expenditure is an expenditure for a communication which expressly

advocates the election or defeat of a clearly identified candidate and which is not made in

cooperation, consultation or concert with, or at the request or suggestion of, any candidate,

candidate's committee, party committee or their agents. 11 C.F.R. § 100.16.

The complaint makes general allegations that Carlos Rodriguez made undisclosed coordinated communications and/or independent expenditures in connection with the concert and/or the Denham Federal Committee. However, the complaint did not provide any information to support these allegations. The complaint does not identify specific communications that it alleges to have been coordinated by Carlos Rodriguez nor any specific unreported independent expenditures Rodriguez allegedly made on behalf of Denham's Federal Committee.

#### C. Conclusion

The complaint did not provide any information suggesting that Carlos Rodriguez made undisclosed coordinated communications and/or independent expenditures in connection with the concert and/or the Denham campaign. Accordingly, the Commission finds no reason to believe that Carlos Rodriguez violated any provisions of the Act or Commission regulations in connection with the allegations in this matter.

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5	RESPONDENT: Gilliard Blanning & Associates MUR:	6362
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10	Remembering the Brave Foundation ("RB") featured Jeff Denham, a California State Sens	ator
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16	("Federal Committee") and that the coordination involved Gilliard Blanning & Associates	, Inc.
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18	complaint also alleged that GBA failed to disclose coordinated communications and indep	endent
19	expenditures made in connection with the benefit concert aod/or Denham's Federal Comm	ittee,
20	and may have done so to hide the true source of the funding.	
21	As explained below, the Commission found no reason to believe that GBA violated	i any
22	provisions of the Federal Election Campaign Act of 1971, as amended, ("the Act") or	
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Page 1 of 4

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2	A.	<b>Factual</b>	Backgroun	ad
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- In 2010, Jeff Denham was both a California State Senator, representing the 12<sup>th</sup> District,
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- 5 District. Denham did not run for re-election to the State Senate. Denham won the June 8, 2010,
- 6 Republican primary and the November 2, 2010, general election.
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- 8 Resort & Casino, in Coarsegold, California, which is in the 19th Congressional District. The
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- 11 Gold Star—a program administered by the California Department of Veteran Affairs to raise
- private donations to pay the costs of a specialized license plate program for the families of U.S.
- military personnel killed while serving on active duty. Several of the advertisements promoting
- the concert featured Denham.
- GBA is a campaign consulting firm and vendor for the Denham campaign that appears to
- 16 have purchased advertising for both the Denham campaign and the benefit. Documentation
- submitted with the complaint indicates that GBA handled the media buy for the concert on
- behalf of its client, RB. See Emails between Genet Slagle (media buyer with GBA) to Matt
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- alternativo), dated April 29, 2010, regarding Gold Star Families Proposal. It also appears that
- 21 GBA handled the media buys for the Denham for Congress campaign in 2010. See Emails from
- 22 Genet Slagle to Donald Osika, dated January 29, 2010. Other than this information indicating

<sup>&</sup>lt;sup>1</sup> The Denham Federal Committee's 2010 April Quarterly Report reflects disbursements to GBA for broadcast advertising.

- that GBA performed media buyer work for both RB and the Denham Federal Committee, the
- 2 complaint does not include specific allegations regarding which communications were
- 3 coordinated or what coordination GBA undertook. The complaint does not indicate any specific
- 4 unreported independent expenditures that GBA allegedly made on behalf of the Denham Federal
- 5 Committee. GBA did not file a response to the complaint.

## B. Coordinated Communications/Independent Expenditures

The Act subjects contributions and expenditures to certain restrictions, limitations, and reporting requirements. See generally 2 U.S.C. §§ 441a, 434b. Contributions can be monetary or "in-kind." In-kind contributions include an expenditure made by any person "in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, his authorized political committees, or their agents," and are subject to the same restrictions and reporting requirements as other contributions. 2 U.S.C. § 44la(a)(7)(A) and (B)(i); 11 C.F.R. §§ 100.52(d)(l), 109.21(b). The Commission's regulations at 11 C.F.R. § 109.21 provide that coordinated communications constitute in-kind contributions from the party paying for such communications to the candidate, the candidate's authorized committee, or the political party committee which coordinates the communication. A corporation is prohibited from making any contribution in connection with a Federal diection. 2 U.S.C. § 441in(a).

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An independent expenditure is an expenditure for a communication which expressly advocates the election or defeat of a clearly identified candidate and which is not made in

# MUR 6362 (Gilliard Blanning & Assoc.) Factual and Legal Analysis

- 1 cooperation, consultation or concert with, or at the request or suggestion of, any candidate,
- 2 candidate's committee, party committee or their agents. 11 C.F.R. § 100.16.
- The complaint makes general allegations that GBA made undisclosed coordinated
- 4 communications and/or independent expenditures in connection with the concert and/or the
- 5 Denham Federal Committee. However, complainants did not provide any information to support
- 6 these allegations. The complaint does not identify specific communications that it alleges to
- 7 have been coordinated by GBA, nor any specific unreported independent expenditures GBA
- 8 allegedly made on behalf of the Denham's Federal Committee.

#### C. Conclusion

- The complaint did not provide any information suggesting that GBA made undisclosed
- coordinated communications and/or independent expenditures in connection with the concert
- and/or the Denham campaign. Accordingly, the Commission finds no reason to believe that
- 13 Gilliard Blanning & Associates violated any provisions of the Act or Commission regulations in
- 14 connection with the allegations in this matter.